

**THE STRATEGIC  
FRAMEWORK  
FOR SECRETARIATS  
AT IDRC**

**Approved by the IDRC  
Board of Governors  
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# ***THE STRATEGIC FRAMEWORK FOR SECRETARIATS AT IDRC***

## **INTRODUCTION**

*Learning Partnerships: A Review of IDRC Secretariats*, reported on the study conducted through IDRC's Evaluation Unit on the history and value of Secretariats. Its findings were based on extensive interviews with IDRC Governors, management and staff, with Secretariat Executive Directors and their staffs, and with other donors. It was also based on a thorough review of internal documents and on the literature of organizational innovation. It was submitted to Senior Management in December 1998 and discussed by the IDRC Board of Governors in January 1999.

*Learning Partnerships* chronicled the successes and the shortcomings of individual Secretariats, described the strengths of the concept, and identified areas for improvement. Its bottom-line conclusion was that, "the Secretariat modality is working well and has the support of IDRC and its funding partners." Senior Management agrees with that conclusion and re-affirms its support for Secretariats. However, we recognize that the modality was established by IDRC without fully articulating the purpose of Secretariats or a framework to govern their creation and operation. We accept the view stated in *Learning Partnerships* that "to maximize Secretariat performance, the environment in which they operate needs to be improved" and that IDRC must "make decisions about what the Secretariats collectively mean to its mission and how they fit into its corporate strategy."

This document, which is Senior Management's response to the principal issues raised in *Learning Partnerships*, is structured around that Report's key recommendation:

A strategic framework for Secretariats should be developed... The five interrelated elements of this framework are: strategic direction, business planning, performance management, accountability, and operations and structure.

We believe that the policies stated in this response collectively form a sound Strategic Framework for governing the establishment and operation of Secretariats, one which will permit them to flourish as an effective instrument in promoting international development through research. However, the creation of this Framework is not the end of the story. Our understanding of how Secretariats work best will continue to evolve, and with that will come occasional adjustments to ensure we have the optimum model. Most importantly, we recognize that this Framework will be of limited value if we are not responsive to a theme running through *Learning Partnerships*, which is that IDRC must continually tend to the key relationships which make Secretariats work.

Every opportunity should be seized to ensure an inclusive and collegial approach exists between Secretariats and the rest of IDRC at both the program and administrative levels. Beyond that, enhancing IDRC's relationships with other donors must remain a subject of study, discussion and action, for without them Secretariats will not exist. And finally, Secretariats must maintain the collaborative approach to working with our developing country partners, which reflects our core values and the basis of our international reputation.

Before describing the Strategic Framework, it is necessary to fix a definition of Secretariats. Some confusion has arisen on this point, due in part to the coining of the term "quasi-secretariat." To dispel this confusion, a firm definition is proposed with four minimum characteristics. Basic to the definition is that a Secretariat is not a separate legal entity, but rather a unit which shelters under IDRC's legal personality. This means IDRC must exercise responsibility for its financial, administrative and legal functions. For each unit, an Executive Director is appointed to lead the Secretariat and exercise a dual responsibility to IDRC and the Secretariat's Steering Committee. The key distinction between a Secretariat and other program units is the ceding of program responsibility to the Steering Committee which includes IDRC, other donors, and in many cases developing country experts.

Combining the four minimum characteristics, the following will be the definition of a Secretariat:

*"A Secretariat is a program unit which is legally part of IDRC, headed by an Executive Director, and funded and governed in partnership with others."*

In order for a unit to be called a Secretariat, the IDRC Board of Governors must approve its establishment, and all Secretariats must conform to this Strategic Framework.

## **1. THE STRATEGIC DIRECTION**

A strategic direction for Secretariats is needed to answer the question: "Why, when and how should the Secretariat mechanism be used to deliver IDRC's program?" The answer can be provided through identifying the *vision* and *mission* for Secretariats and the *core values* which should be associated with them. The *vision* may be thought of as the ultimate development purpose which we want to achieve. The *mission* is the set of optimum conditions which we are seeking to create through the use of Secretariats, which allows us more effectively to pursue our *vision*. The *core values* are the qualities of thought and conduct which govern this pursuit.

### **(i) Vision**

Senior Management believes that the key characteristic of Secretariats is their collaborative nature. In that respect, Secretariats are simply a new model for an enduring theme. The recognition that it is essential to work with others to achieve our goals has always characterized IDRC's work. Parliament demanded that it should. In Section 4 of

the IDRC Act, the Centre is charged in pursuing its objects, “to encourage generally the coordination of international development research; and, to foster cooperation in research on development problems between the developed and developing regions for their mutual benefit.” But collaboration is more than a guiding principle; it is a practical necessity. Acting alone, IDRC cannot always accomplish its goals. Collaborating with others in Secretariats has added to our accomplishments and will permit us to achieve more in the future.

In considering what the vision for Secretariats should be, Senior Management has reviewed numerous possibilities. These include emphasizing one part of IDRC’s programs in the use of Secretariats, using them largely for high-risk enterprises, or seeing them as a stage in program delivery as they evolve from Program Initiatives into separate legal entities. Our conclusion is that this model of collaboration should not be limited to any one circumstance. There is no apparent value in having Secretariats specialize in a given subject field or one kind of activity. On the issue of risk, it may be that some Secretariats will undertake high-risk activities (we have nothing against sharing the risk), but there is no reason why an IDRC Program Initiative should not be high-risk too, or why a Secretariat needs to be high risk if collaboration is possible with others in a more certain enterprise. On the issue of evolution, a successful Program Initiative may very well evolve into a Secretariat where other donors see the value of the work being done and want to share in its governance and funding. Furthermore, any Secretariat could evolve into a separate entity, especially where private sector support through holding equity is needed or where an independent, LDC-based organization is desirable. However, these scenarios need not dominate the vision for Secretariats. Good ideas for collaboration through Secretariats arise from many sources in addition to Program Initiatives, and IDRC should move on them. Once established, it may be determined that IDRC should be the continuing home for the Secretariat, given the legal and other complexities which can hamper their evolution to separate entities.

Ultimately, the essence of the vision guiding all of IDRC’s programming is that expressed in the IDRC Act. The vision for Secretariats differs from Program Initiatives or Special Projects only through the mechanism chosen to pursue it. Therefore, the vision for Secretariats can be stated this way:

*“ Secretariats will initiate, encourage, support and conduct research into the problems of the developing world and into the means for applying and adapting scientific, technical and other knowledge in order to foster economic and social advancement, and a sustainable environment. IDRC’s impact will be enhanced through other donors sharing in Secretariat governance and funding, and collaboration with people in developing countries will be promoted through their involvement in determining and implementing Secretariat programs.”*

In adopting this vision, Senior Management re-affirms that IDRC must remain true to its

Parliamentary mandate, and not reach imprudently beyond it in the pursuit of resources or program goals which IDRC is not well-equipped to attain. Typically, Secretariats will undertake work consonant with its Corporate Program Framework and address issues falling into one of its three main program areas. Where a proposed Secretariat is at the perimeter of our normal field of activity, an especially compelling case must be made before Senior Management will recommend its establishment to the Board of Governors.

(ii) *Mission*

The mission of Secretariats is comprised of a set of action goals which will help us pursue our vision. They are:

- ◆ to provide a focus for resources and expertise to increase development knowledge
- ◆ to give leadership and international credibility in the pursuit of development objectives
- ◆ to create conditions conducive to innovation in solving development problems
- ◆ to enhance the reach and impact of IDRC and other development organizations
- ◆ to undertake joint activities in a co-ordinated way where that is essential to success
- ◆ to involve people from developing countries in program decision-making
- ◆ to promote a multi-disciplinary approach to problem-solving
- ◆ to provide a measure of autonomy to those managing the program

Where this mission has been successfully accomplished, value and capacity will be added to the Centre's programs. Secretariats expand both the number of people and organizations involved in the pursuit of our corporate vision and the resources dedicated to it.

It may appear that Senior Management believes that Secretariats are better development instruments than Program Initiatives or Special Projects. That is not the case. Burdens as well as benefits arise from working with others, and elements of the mission of Secretariats can be achieved through other mechanisms. Their use must be selective. However, where our development goals are well-aligned with other donors', Secretariats are an excellent mechanism to extend the range and impact of our work.

(iii) *Core Values*

The core values embodied in what Secretariats do and how they do it should reflect those which exist in IDRC's other activities. Some of the values which have endured throughout the Centre's history are:

- ◆ a high level of commitment to achieving positive results in developing countries and regions

- ◆ a belief that research findings are public goods to be shared
- ◆ a commitment to capacity building through transferring skills and abilities to carry out research and apply research results
- ◆ a resolve to learn continuously and to apply lessons learned both in targeted subject areas and in innovative approaches to improving conditions in the developing world
- ◆ a focus on finding and applying the most efficient and effective management and organizational approaches to the needs of developing countries and regions
- ◆ a commitment to full accountability to taxpayers, partners and people in developing countries for the effective use of financial and human resources
- ◆ a pursuit of equity in all aspects of work with special emphasis on gender and vulnerable groups
- ◆ a resolve to foster and sustain a caring organization where employees and their contributions are respected and valued

Senior Management believes that these values now guide the Secretariats at IDRC and that our partners share them. In establishing and administering new Secretariats, such values should continue to inform our program choices and the manner in which Secretariats carry out their work.

## 2. PLANNING A SECRETARIAT

### (i) *The Need for Planning*

In a chapter called “Learning from Experience”, *Learning Partnerships* recommends that, “A business plan outline for Secretariats that reflects lessons learned and IDRC’s unique mandate should be developed and applied.” Senior Management agrees completely with this recommendation. Many shortcomings of the past are attributable to the failure to develop a sound and realistic plan for scrutiny by the Board and for the guidance of management. The history of Secretariats at IDRC provides a rich source of knowledge on what is required to give a Secretariat the best possible chance of success.

Although each Secretariat must be established on the basis of an intellectually rigorous plan, Senior Management recognizes there is often a gestation period when ideas are exchanged and program concepts are tested in a variety of ways, such as through activities funded solely by IDRC. The requirement for a rigorous plan must not stifle promising initiatives before the concepts reach fruition. It is meant to ensure that before IDRC commits itself to establishing a Secretariat, with all that entails, that the soundness of the concept has been thoroughly examined and documented. Full consideration must be given to all elements of planning, all risks must be considered, and sufficient information must be made available to the Board to make an informed judgement about establishing a Secretariat.

It is not intended that all Secretariats should conform to a pre-judged formula for success. In the case of risk for example, the degree of risk that IDRC is prepared to tolerate may vary with the extent to which the Secretariat's focus is judged to be critical to IDRC's core business. The strength of Secretariats has owed much to the flexibility of the mechanism as a particular response to specific programmatic needs. The establishment of diverse Secretariats should not be precluded by a tight set of criteria which is applied in all cases. The key is to ensure that all relevant elements are considered in making the substantive and business case for a Secretariat.

(ii) *The Elements of a Plan*

*Learning Partnerships* sets out three key areas which must be addressed in any plan. They are: focus, capacity and relationships. In the area of focus, *Learning Partnerships* concluded that a concise statement of mission, goals and objectives is crucial to success. It said that conciseness can be aided by limiting the geographic scope of the activity, focussing on particular approaches to solving a problem, and limiting severely the number of objectives. The failure to achieve focus was found to cause great difficulty in selling the Secretariat to donors, and in channelling efforts toward achieving development impact.

In the area of capacity, the Report concluded that inadequate financial or human capacity to carry out the program of a Secretariat has been the most frequent and the most serious problem faced by IDRC. Financial problems have included spending too much time sourcing funds at the expense of establishing a good program, trying to ensure that donors live up to their commitments, and fitting the scientific and geographic range of work to the money available. These problems have resulted in IDRC unexpectedly becoming the donor of last resort which in turn has led to closing the Secretariat. Personnel problems have included unrealistically low assessments of the number of people required to carry out the work, the assignment of staff to jobs for which they are not equipped, and the failure to identify full-time leadership with the requisite skills, foremost among them being the ability to work collaboratively. Failure in this area has led to a general lack of donor confidence.

In the area of relationships, *Learning Partnership* concluded that Secretariats have a better chance of success if they have a good fit with the IDRC culture, mandate and mission, and if there are good interpersonal relationships between their staff, other IDRC staff and our partners. It also concluded that it is preferable for Secretariats to have a comparable approach to IDRC. For example, those which require heavy commercial involvement are at a disadvantage to those in line with IDRC's non-profit concentration. Where there is a good overlap with IDRC's technical and program expertise, a Secretariat will be at a considerable advantage through the synergy and support which the Programs Branch can provide. Finally, it said that Secretariats which have missions in harmony with broad Canadian public policy objectives seem to have the best chance of receiving sustained support.

Senior Management believes that the planning for a Secretariat should culminate in a “Secretariat Proposal” for submission to the Board of Governors, which builds on the lessons learned in our experience with Secretariats. In addition to serving as the basis for the Board approving the Secretariat’s establishment, it will be an important document to use in inducing other donors to participate, and be one of the documents against which Secretariat performance can be assessed. This document must fully answer the following questions on key strategic issues, and the focus, capacity and relationships of the proposed Secretariat:

**Strategic Issues:**

1. How did the idea for the Secretariat arise?
2. How does the proposed Secretariat conform to the Strategic Direction for Secretariats, and in particular how is the vision and mission of Secretariats advanced through the mission and specific program goals of the proposed Secretariat?
3. What are the risks that the Secretariat cannot achieve its goals, and what is the exit strategy if it doesn’t?
4. What is the anticipated life-cycle of the Secretariat to achieve its goals?
5. Could the Secretariat evolve eventually into a separate organization?

**Focus**

1. What is the program rationale for the Secretariat?
2. What is the problem being addressed?
3. Who is demanding a solution to the problem?
4. What other work is being done internationally to address the problem?
5. What are the specific goals and objectives being sought in the long-run, such as over a five year period?
6. What is the essence of the Program of Work for the first few years which will be presented to the Steering Committee for approval?



7. What is the plan of action for the first year to launch the Secretariat's work?
8. Is there a geographic focus to the work?
9. Are there any known factors which could influence a change in the focus?
10. What outcomes could be anticipated to provide an answer to the problem the Secretariat is addressing?
11. How can achievement be measured and evaluated, and what concrete milestones can be set and monitored to ensure the intended reach and impact?

## **Capacity**

### *Financial Resources*

1. What is the projected cost of establishing and running the Secretariat?
2. What is the minimum program expenditure to establish an effective program?
3. What is an acceptable program to operations ratio?
4. How much money should IDRC commit to the Secretariat?
5. What is the amount, length and degree of formal and anticipated commitment from other donors?
6. What is the plan for obtaining additional funding?
7. Are there competing activities internationally which will diminish the ability to raise funds?
8. Is there a potential for non-partner funding being obtained, such as through fundraising or the sale of technologies?
9. If the work of the Secretariat is in harmony with other elements in Canadian public policy, might it attract other Canadian donors?
10. What is the financial contingency plan if anticipated commitments are not realized?

### *Human Resources*

1. What are the appropriate staffing requirements?
2. Will the Executive Director be full-time?
3. What is the market for senior staff in terms of availability and cost?
4. Are the available resources sufficient to obtain the needed human resources?
5. Is the necessary financial and administrative support readily obtainable from IDRC?
6. Will there be any unusual call on IDRC's Management time to ensure the success of the Secretariat?

### **Relationships**

1. How does the problem being addressed relate to problems which are being addressed in the rest of IDRC's programs?
2. How would the work of the Secretariat complement or supplement existing IDRC work?
3. Is the proposed method of work, organizational structure and approach to problem-solving comparable to that used by IDRC?
4. What is the general comparative advantage of IDRC serving as the home for the Secretariat?
5. What are the comparative advantages of placing the Secretariat in Ottawa or at a Regional Office?
6. How will the need for a good working relationship with IDRC be addressed in staffing the Secretariat?

#### *(iii) Approving the Secretariat*

It is suggested by Senior Management to the Board of Governors that there may be variations on formal approval of a Secretariat, assuming favourable reaction to the Secretariat Proposal. For proposed Secretariats in their most advanced stage, Board approval is the last step before the Secretariat machinery is put into place. However, there may be circumstances where funding is not formally committed or where the Board requests modifications to the plan. In these cases it is open to the Board to take one of two steps. In situations where considerable work is required to amend the Secretariat Proposal,

the Board may want to review the improved document before establishing the Secretariat. In other cases, the Board may be satisfied with the substance of the plan, subject to certain conditions being met, such as a critical mass of donors formally committing themselves to the Secretariat. In these cases, it is suggested that the Board give conditional approval to establishing the Secretariat. The President would be empowered to establish the Secretariat, subject to the conditions being met. Such an approach is desirable as conditional approval allows management to proceed with the many steps which need to be taken leading to the establishment of a Secretariat, confident of the Board's support.

### **3. PERFORMANCE MANAGEMENT**

*Learning Partnerships* concluded that although Secretariats have provided good value for money, systematic performance management would have added more value. It recommended that evaluating the implementation of the scientific program and general Secretariat performance should be firmly on all their agendas. This includes identifying the critical areas for assessment and developing performance indicators.

To achieve this, Senior Management believes a Performance Management Framework should be established. It will serve two high-level purposes. First, it will permit the management of individual Secretariats, their Steering Committees and their donors to assess Secretariat performance in all its dimensions. Second, it will indicate to IDRC and to other donors how much they are accomplishing in their use of the Secretariat mechanism.

Senior Management intends to implement the following General Framework for Performance Management in co-operation with Secretariat management and Steering Committees. The Framework attempts to provide a comprehensive list of the characteristics which indicate optimum performance. These characteristics are grouped under four key elements of performance: Relevance, Effectiveness, Efficiency, and Financial Viability.

**I.** A **relevant** Secretariat will adapt to changing contexts and capacities and maintain the support of its key donors and beneficiaries for its mission, goals, programs and activities. It will:

1. Revise regularly its operations to reflect changing environments and capacities;
2. Review periodically its mission and role;
3. Review regularly the needs of its donors and beneficiaries;
4. Monitor continually its reputation;
5. Be innovative in creating and adapting to new ideas and new technologies.

**II.** An **effective** Secretariat is moving toward the attainment of its mission and the realization of its goals. It will:

6. Establish a clear mission that is known and understood by its staff;

7. Implement a program of work which enhances support in a field of importance to all its donors;
8. Identify its qualitative and quantitative indicators of achievement;
9. Implement a system for assessing effectiveness;
10. Use evaluation findings and other feedback to improve.

**III. An efficient Secretariat will meet its objectives within an appropriate cost structure. It will:**

11. Make optimum use of financial and human resources;
12. Define and meet a standard of "good value for money";
13. Meet any appropriate operational benchmark comparisons;
14. Have a capacity to respond to new conditions in a timely way.

**IV. A financially viable Secretariat will have a continuing surplus of income to expenditure. It will:**

15. Be in receipt of a sustained flow of money from existing donors;
16. Have an expanding resource base;
17. Be continually monitoring finances to ensure there is a viable surplus which is unencumbered;
18. Not be largely dependent on a single source of funds.

In measuring the performance of a multi-donor initiative, it is critical that the performance expectations of all donors should be understood and integrated into the design of the Secretariat, its program and its subsequent evaluation. The program must be reviewed to ensure it is performing well, and the operations must be reviewed to ensure that the delivery mechanisms are working well. Each donor may have special expectations, but they should be committed to the expectations of all other donors being achieved.

In addition, the evaluation of performance must be calibrated to accommodate three key variables. First, a Secretariat may have unique structural arrangements depending on its program objectives. For example, a Secretariat which is predominantly a grant-making mechanism is not designed in the same way as one which will play a catalytic role in encouraging others to apply technical, political or financial resources to a task. A structure which is efficient for one of these models might well be inefficient for another.

Second, performance expectations will vary according to the position of the Secretariat on its planned line of progression. Each Secretariat is an experiment in collaboration around a particular issue. It will naturally take time for effective and efficient performance to be achieved, and expectations must be moderated to give a Secretariat a chance to hit its stride.

And third, Secretariats have an entrepreneurial nature and should be prepared to take on

significant challenges. Accordingly, they may be high-risk ventures. The levels of acceptable risk are a significant factor in determining what is good or bad performance, and therefore they should be explicit before deciding what measurements of performance should be used. All donors should know the risks and accept them as part of the collaborative venture.

#### **4. THE ACCOUNTABILITY FRAMEWORK**

The issue of accountability for Secretariats is complicated by their dual nature. They are legally a part of IDRC and donors look to IDRC to ensure the soundness of their financial and administrative management. At the same time, all donors share in setting their program direction and monitoring program performance. This duality makes more compelling the need to articulate an accountability framework to ensure that all parties are aware of their responsibilities and their liabilities. Failure to state clearly the essential accountabilities to potential donors, Secretariat officers and IDRC staff can lead to confusion and frayed relationships.

This Accountability Framework comprises a listing of the key accountability relationships and a description of the duties which are owed by those who are accountable. It also sets out the basic characteristics which we believe should attach to Secretariat Steering Committees. Finally, it discusses the range of auditing approaches available to confirm that Secretariats are functioning in a fully accountable way.

##### *(i) Accountability of the President to the IDRC Board of Governors*

The IDRC Act gives to the President “supervision over and direction of the work and staff of the Centre.” Accordingly, ultimate responsibility for Secretariats and the obligation to report on them is singularly that of the President of IDRC. In practice, she may from time to time designate someone to act on her behalf.

The President’s accountability for program performance of a Secretariat is not absolute, as IDRC’s control over program issues within a Secretariat is shared with other members of the Steering Committee. The measure of control varies according to the extent to which IDRC as a donor has influence over program direction, which in turn varies according to the composition of a given Steering Committee. However, the President is fully responsible to the Board of Governors in accounting for the positions IDRC has taken within the Steering Committee, as well as providing regular reports to the Board on the Secretariat’s full range of programs.

Senior Management believes that this reporting responsibility is best accomplished through the written presentation to the Board of a full report prepared by the Executive Director of a Secretariat, accompanied by an appraisal of performance submitted to the Board by the President. This appraisal could well follow the format set out above as the Performance Management Framework. The Executive Director’s report should be written with reference to any documents which formed the basis for the Board’s decision to

establish the Secretariat or fund it, such as the Secretariat Proposal or a Project Summary. It also should refer to such other documents as may have been approved by the Steering Committee, such as a Program of Work and Budget. To ensure that such reports are comprehensive, a proposed format for them is now being developed within IDRC for discussion with the Secretariats. Senior Management believes that the appropriate periodicity of such reports is once per year. Annual reports will provide sufficient opportunity for the Board to provide oversight, and is a reasonable period within which a Secretariat could be expected to demonstrate accomplishment.

Outside the program area, IDRC carries ultimate responsibility for the administrative, financial and legal integrity of Secretariats. That responsibility is in no way diminished by the dual nature of Secretariats, and therefore Senior Management believes that the President should be as accountable in these areas for Secretariats as she is for other IDRC activities. Reports on these matters to the Board or its committees should meet the same standards of frequency and depth as are applied to other IDRC operations.

(ii) *Accountability of IDRC to the Steering Committee and to Individual Donors*

The accountability of IDRC for its management of non-program matters runs in two directions. First, it carries contract-based obligations to individual donors with which it has signed funding agreements as the legal representative of the Secretariat. In most cases, it is the funding agency which proposes the contract and establishes what it requires by way of accountability in return for its funding. Senior Management believes that it is important for its relations with donors and for limiting its liability, that all such agreements should contain a description of the accountability framework which governs Secretariats. In particular, it must be clear that IDRC does not control the program work of the Secretariat. The donor must accept that the Steering Committee of the Secretariat is ultimately responsible for the Secretariat fulfilling these obligations. Accordingly, all such agreements should be endorsed by the Executive Director, acting on the authority of the Steering Committee.

Second, IDRC carries obligations to the Steering Committee. Although strictly speaking IDRC exercises authority in non-program administration of the Secretariat, it is recognized that the quality of its administration can have a direct effect on program performance. Typically, all of IDRC's legal, financial and administrative rules apply to Secretariats. However, Senior Management believes that IDRC must exercise flexibility in responding to requests for modifications to them where that is in the best interests of advancing the program of the Secretariat. Major variances to them should be requested by the Steering Committee. Minor variances may be requested by an Executive Director. IDRC should also be prepared to inform the Steering Committee of any management deficiencies within the Secretariat such as in the handling of personnel issues, where it believes that such deficiencies are negatively affecting program performance. IDRC is also responsible for ensuring that the Steering Committee receives timely and accurate financial reporting, in

accordance with the reasonable requirements of the Steering Committee.

(iii) *Accountability of the Executive Director to IDRC and the Steering Committee*

The Executive Director is the head of the Secretariat, supplying both its program leadership and its general management. Reflecting the duality of Secretariats, the Executive Director is responsible to both the Steering Committee and IDRC.

The Executive Director relates to the Steering Committee principally on program matters. This includes the development of a Program of Work and Budget or a business plan or such other document as the Steering Committee requires to guide the Secretariat's program. The Steering Committee then holds the Executive Director accountable for implementation of the program. The Executive Director is also accountable to the Steering Committee for the development and implementation of program-related policies, such as those that might guide the ownership of intellectual property rights and the collection of royalties from technologies developed in the course of Secretariat-funded projects.

The Executive Director is accountable to the Steering Committee for the program relationships which the Secretariat has with donors not represented on the Steering Committee. The Steering Committee should establish the parameters of the Executive Director's authority to solicit funds from other donors, which may imply the future involvement of such donors in the governance of the Secretariat through membership on the Steering Committee. The Steering Committee should also set the ambit for the Executive Director's authority for signing an endorsement of funding agreements on behalf of the Secretariat and the Steering Committee, along with IDRC which acts as the legal signatory for the Secretariat. This authority would deal with such issues as the nature of activities which can be undertaken and with whom. In discussions leading to the signing of donor agreements the Executive Director is also responsible to IDRC in representing clearly the relationship between the Secretariat and IDRC. Donors should be properly informed about the extent of IDRC's accountability, the terms under which it is prepared to administer funds for other donors, and the financial, administrative and legal policies which will apply to the management of the funds and of the program.

The Executive Director is responsible to IDRC for the management of the Secretariat in non-program areas, including compliance with IDRC's financial, administrative and legal policies. In particular, the Executive Director is accountable to IDRC for the proper management of staff, who are employees of IDRC. The Executive Director's performance should meet the same standards set by IDRC for all its managers.

(iv) *The Steering Committee*

Senior Management believes that Steering Committees should be bodies with real

authority in directing a Secretariat. That being so, it is essential that great care be taken in constituting them, both with respect to their composition and to communicating their role.

Secretariats are, by definition, multi-donor initiatives. IDRC wants other donors to participate in their funding and their governance, and thus should compose a given Steering Committee in the way most likely to encourage donor support. It should not push a rigid model of Steering Committee membership, but rather should hold out to all prospective donors a role in determining the composition. The key decision will be the extent to which non-donors will be members on the Steering Committee. There may be arguments for and against extensive non-donor membership. Some may believe that such members will bring special skills or insights to the Steering Committee, and “legitimize” the program of the Secretariat. Others may think that a broader membership unduly diminishes the extent to which donors can exercise influence over the use of their own funds.

Senior Management believes the issue of Steering Group composition should be considered on a case-by-case basis, having regard to the nature of the program and the views of its donor partners. Accordingly, where a Secretariat is established by IDRC, the first members of the Steering Committee will be the donors. IDRC will place on the agenda of the first meeting the issue of broadening the membership of the Steering Committee to non-donors. Where Steering Committees do not include significant non-donor involvement, serious consideration should be given by the Steering Committee to establishing an Advisory Group, composed of technical experts, especially those from developing countries. This applies equally to existing Secretariats.

Steering Committees should also decide on other issues relating to their own membership in such areas as the extent to which a donor must financially contribute in order to become a member of the Steering Committee, and whether donors have a weighted influence according to their contribution, especially to the core budget. A review of the current practice within Secretariats on this issue will be undertaken which could lead to guidelines being developed for the benefit of Steering Committees on these questions.

With respect to communicating to Steering Committees their role in the governance of Secretariats, Senior Management believes this would be assisted if there were generic Terms of Reference for Steering Committees. Individual circumstances may lead to a change in these terms for a given Steering Committee, but the following should be regarded as the starting point:

1. To approve the Program of Work and Budget.
2. To establish program policies, strategies and priorities.



3. To evaluate the program accomplishments of the Secretariats against established benchmarks.
4. To encourage the involvement of other donors as required.
5. To review and accept the statements of account.
6. To recommend the hiring of an Executive Director by IDRC.
7. To supervise the Executive Director in the program area, and in co-operation with IDRC in such other matters as may directly affect program performance by the Secretariat.
8. To establish an assessment process for the Executive Director in co-operation with IDRC.

(v) *Audit*

Secretariats are governed by dual authorities, IDRC and the Steering Committee. At the same time, they are run by Executive Directors who are viewed within the IDRC context as empowered and authoritative managers. This unique structure which provides dynamic and innovative possibilities, also can create what *Learning Partnerships* calls “an increased risk of imprudence.” It is important for IDRC as a custodian of public funds and the funds of others, that its auditing approach to Secretariats will measure both their compliance with applicable policies and the results they are achieving with the resources at their disposal.

Traditional compliance auditing is a necessary tool to ensure that Secretariats are adhering to IDRC’s administrative, financial and legal policies and practices. These are the areas where IDRC has a singular responsibility among the donors and an accountability to them for the proper management of the Secretariat. Basic compliance auditing, involving sampling and checking on compliance with applicable policies and practices, will be done by IDRC as a standard function.

However, program performance is an issue for the entire Steering Committee. Here, comprehensive auditing can play an important role in ensuring that Secretariats are performing up to their potential. There are three recognized approaches to comprehensive auditing:

- ◆ a focus on the quality of the management systems and practices with a view to using them as an indicator of the extent to which the organization pays due regard to economy, efficiency and effectiveness
- ◆ the delivery of an opinion on the completeness and integrity of management’s

- ◆ reporting to the governing bodies on the performance of the organization
- ◆ an independent assessment of program results against recognized objectives

Senior Management believes that IDRC should at appropriate intervals present to Steering Committees a review of the auditing options open to it, and provide professional advice on the nature and extent of the comprehensive audit which is most appropriate for a given Secretariat. This could include more extensive compliance auditing than is otherwise done. It would then be for the Steering Committee to determine what auditing was desirable and to provide funds for that purpose. As a starting proposition, IDRC believes that a four year cycle for auditing Secretariats in this manner is appropriate. Combined with the use of the Performance Management Framework as outlined above, this should provide all donors with a high degree of assurance that their funds are being well-spent.

## 5. SECRETARIATS IN THE IDRC STRUCTURE

Management oversight of Secretariats now occurs in several ways. A “President’s Designate” sits on the Steering Committee and stays in touch with major issues affecting the Secretariat. Those now designated include Vice-Presidents, Regional Directors, senior program officers with subject-specific expertise, and in one case the President directly exercises this responsibility. In addition to this, IDRC officers relate directly and continually to the Executive Directors on issues within their responsibility.

*Learning Partnerships* identified several flaws in this management structure, particularly the lack of a common understanding among President’s Designates about their responsibilities. Senior Management accepts that modifications are needed, but believes that the basic concerns can be addressed without making a radical change to the structure. The position of “President’s Designate” will be retained, and that title will continue to be used. It indicates to other donors whose support we want to attract that the establishment and sound management of Secretariats are high on IDRC’s agenda. It also implies a measure of independence from the rest of IDRC’s program structure, which is appropriate given the placing of full program responsibility with the Steering Committee. However, the lack of clarity about the ambit of the responsibilities of the President’s Designate must be corrected. To do that, the following Terms of Reference will attach to the position:

1. Preparing the Secretariat Proposal which will be presented to the Board of Governors recommending creation of the Secretariat;
2. Ensuring compliance of the Secretariat with all aspects of this Strategic Framework, including such obligations as implementing the Performance Management Framework and the Accountability Framework;
3. Representing IDRC as a donor on the Steering Committee;

4. Being IDRC's principal point of contact with other donors, where IDRC is acting as a donor;
5. Supporting the Executive Director with fundraising;
6. Facilitating a smooth working relationship between the Secretariat and the rest of IDRC;
7. Encouraging program co-operation between the Secretariat and the rest of IDRC's programs;
8. Acting on behalf of the President in overseeing the work of the Executive Director in those areas for which IDRC is responsible.

To ensure consistency in the way that the role is played, the President intends to nominate as President's Designates for Ottawa-based Secretariats members of the new, second tier of Programs Branch management, tentatively called Program Managers. In addition to providing effective management oversight, this should ensure a freer interchange of ideas and plans between Secretariats and IDRC's other program activities, as their portfolios will include related Program Initiatives, Special Projects and other Secretariats. Where a Secretariat is located in a Regional Office, the Regional Director will be the President's Designate, and will work closely with the relevant Program Manager to ensure that IDRC's scientific contribution to the Secretariat is of high quality. Where an Ottawa-based Secretariat maintains a presence in a regional office, the Regional Director will be sub-designated to act on behalf of the President's Designate in matters managed from that office.

A second concern identified in *Learning Partnerships* is the perception that Secretariats lack a permanent and effective channel to present their views on policy issues, and generally feel "apart" and "marginal" to the rest of IDRC. Senior Management believes that the strong endorsement for Secretariats contained in this document and the development of a strategic direction which clearly establishes Secretariats as a prime mechanism for IDRC to pursue its mandate should dispel any perception that Secretariats are peripheral to our organization. Because of the important role that others play in funding and governing Secretariats, a measure of independence should exist, but that should not lead to marginalization. The assigning of Secretariats to the portfolio of Program Managers should ensure a rich interchange on program issues, and President's Designates are required by the new Terms of Reference to play a role which is both active and responsible in ensuring strong linkages between the Secretariat and the rest of IDRC. Similarly, Regional Directors will ensure an open exchange and collaboration with other IDRC activities based in their region. Given these improvements in our management of Secretariats, Senior Management believes it is unnecessary to designate one of its number as being the channel to present Secretariat views on policy issues. The number of senior staff from the President on down who relate to Secretariats, combined with the confirmation of their crucial role in delivering our program should ensure a quality of representation which goes beyond that which could be achieved by a single voice representing them.

A third concern in *Learning Partnerships* is that on issues which are of common concern to Secretariats, the structure does not promote a common articulation and resolution of problems. To correct this, Executive Directors will be encouraged to communicate among themselves to identify areas where common action is required. The Vice-President Programs and the Vice-President Resources will identify a means to ensure that communication can effectively occur with them, as well as providing some general, light oversight of the mechanism to ensure its smooth functioning. To further ensure common concerns are dealt with efficiently, the President intends to establish a forum for Executive Directors to meet with her on an annual basis to review such issues.

*Learning Partnerships* rightly identified flaws in the existing structure, but the flaws were not so great that they prevented Secretariats from doing good work. Senior Management believes the changes suggested here address the major concerns and will enhance the work of Secretariats. Nevertheless, the impact of these changes will be monitored closely to ensure they are achieving the intended result.

## **6. OPERATIONAL ISSUES**

### **(i) *Human Resources***

*Learning Partnerships* identifies a number of human resources issues where decisions are required from Senior Management. One of the most important of these is the status of the Executive Directors. To date, there has been little consistency in fixing the nature of their legal relationship with IDRC. In some cases whether they were considered an employee of IDRC or a consultant to IDRC was determined according to the preference of the individual. However in law such things are not matters of preference. The true nature of the relationship is determined in accordance with criteria which have been developed by the courts. Failure of an employer to treat employees as employees can carry with it very significant legal penalties. Although there are arguments on either side of the matter, the view of the Centre's General Counsel is that the courts would likely find Executive Directors to be employees, based on the fact that Secretariats are now a normal mechanism for IDRC to carry on its business and Executive Directors are the principal means through which IDRC's control over that mechanism is exercised. It is also much more efficient for IDRC if Executive Directors are employees. Executive Directors who are consultants cannot exercise full authority over staff or assets, but must do so through the President. They may also not sign agreements or make undertakings in the name of IDRC unless specifically authorized to do so. This is not in keeping with the senior position which Executive Directorships are intended to be. Therefore, Senior Management believes that Executive Directors should be employees of IDRC or be seconded to IDRC by other organizations which employ them.

*Learning Partnerships* raises issues about the movement of IDRC employees into positions in Secretariats. It points out that the staffing of Secretariats was, at one time, influenced

by the desire of IDRC to identify positions for those employees whose positions had been declared redundant as a result of downsizing at IDRC. This has left the lingering impression that IDRC pressures Secretariats to hire IDRC employees. Senior Management believes that it is a misconception that Secretariats are staffed predominantly from within IDRC. At the present time fewer than one-quarter of all positions are filled by staff who previously worked for IDRC in non-Secretariat positions. It believes that the staffing of positions by qualified IDRC employees has been a benefit to Secretariats and will continue to be so. However, it does not believe that it should “pressure” Secretariats to take current IDRC staff. This is especially so with the position of Executive Director. Any concern about this should be negated by our proposal that they should be nominated to that position by the Steering Committee.

Contrary to the view expressed by some in *Learning Partnerships*, there has been a shift of opinion in IDRC toward the view that Secretariats are attracting IDRC staff who their managers have no desire to “lose” to the challenge and the responsibilities of Secretariat work. Although movements always are somewhat disruptive, Senior Management does not believe any impediments should be placed in the way of such movements. The recently-completed Employee Climate Survey showed a strong desire on the part of staff to have increased mobility. Working in Secretariats has the added benefit that staff often must carry broader responsibilities because of the smaller size of the operation, which permits them to broaden their experience. Staff movement to Secretariats should not be accompanied by any punitive conditions, such as effectively turning indeterminate employees into term employees, although hiring from outside IDRC should usually be on term contracts to match the funding commitments of donors. In addition, there should be no liability attached to IDRC employees which would deflect a Secretariat from hiring them. For example, where an employee brings a significant accumulated sick leave to a Secretariat and then becomes ill for a prolonged period, IDRC will ensure that the Secretariat bears no undue financial hardship caused by the carry-over of sick leave credits. Similarly, movement of staff from Secretariats to other IDRC programs should be accomplished without administrative impediments.

Another important issue affecting the ability to staff Secretariats with professionals of international rank is the matter of pay scales. At present, the IDRC pay scales are set with reference to the Canadian market and in particular the Canadian public service. Senior Management believes that this scale will, in general, allow Secretariats to attract and hold high calibre employees. Nevertheless, it is recognized that in a multi-donor enterprise it is inappropriate to exclude, in effect, nationals of other countries from occupying the most senior positions. Moving to Canada and being paid in Canadian dollars may work to their significant economic disadvantage. This may not be the case where the place of posting is in a regional office, where the employee may benefit from a tax-free status. In cases of disadvantage, and on the recommendation of the Steering Committee, IDRC will show flexibility in setting salaries, having regard to the international marketplace for people with similar skills. Senior Management believes this flexibility will almost exclusively be

required at the Executive Director level, although in exceptional circumstances IDRC could consider it for another position. In cases other than that of Executive Directors, the general policy approved by the Board of Governors will apply, that is the need for a higher salary to attract a person with scarce skills will be identified before the competitive process is initiated. The Vice-President Resources must approve the proposed salary level. In all other cases IDRC's Office of Human Resources should ensure that the IDRC job classification system is broad enough in its application to ensure that all positions can be classified in a way to relate them accurately to the appropriate federal public service level.

As a final point on staffing, it should be noted that IDRC enjoys an exemption under the *Immigration Act* which allows it to hire non-Canadians for program jobs without the requirement of testing the domestic market first. This ensures that senior Secretariat staff can be hired through a competition where non-Canadian candidates will have the same access to a position as Canadians.

(ii) *Administration*

*Learning Partnerships* indicates that from the perspective of Secretariats, accessing some of the central support services of IDRC can be complex and time-consuming. It also says that some support services are not fully informed about the level of support which they should be expected to provide, and may not have the resources themselves to provide support of the quality which IDRC, from a corporate perspective, would think necessary.

Senior Management believes IDRC has two interests in bringing greater certainty to this area. First, it receives an overhead from other donors to provide support. To avoid any misunderstandings with them about the value of the service which Secretariats receive, there must be clarity on what IDRC will deliver and, once that commitment is made, there should generally be the resources available to back it up. Second, we are as anxious to see Secretariats achieve their program goals as we are for other program activities to succeed. In order to do so, Secretariats need the full range of administrative and research support. Where occasional restraints on support do arise, Secretariats should not be more adversely affected than other IDRC program units.

At the present time, Resources Branch is undertaking a study of the support given to Secretariats. The result of that exercise should be a full and clear description of what Secretariats can expect, and a delineation between those services covered by the overhead charge and those which can be arranged on a cost basis. The provision of support services generally should be a matter for periodic review with Executive Directors, and the subject of follow-up discussions with the managers responsible for support services within IDRC.

## CONCLUSION

Senior Management believes that the Strategic Framework constructed in this report is a major step toward further establishing Secretariats as an effective instrument in helping IDRC achieve its mission. The recommendations support three key directions: regularizing the place of Secretariats in IDRC, achieving clarity about their nature and governance, and introducing rigour into their establishment and management.

Many of the policies established here have the collective effect of regularizing the place of Secretariats within IDRC. Where possible, the many advantages of being a full part of IDRC have been promised. The structural changes within IDRC have been designed to ensure an equitable treatment of Secretariats in their management and budgeting. There has been an effort made to simultaneously draw them closer to IDRC's program framework and program officers, while clearly establishing the dominant role of the Steering Committee in charting the program course, thus ensuring a guaranteed measure of independence in their actions. To buttress the semi-autonomous nature of Secretariats, there has been a recognition that administrative policies can impact significantly on program performance, and thus an openness to flexibility in their application to Secretariats has been indicated.

This report also clarifies many areas of uncertainty which have prevailed with Secretariats. These include a firm definition of them, clear lines of authority and accountability, and a confirmation that the vision for Secretariats is not limited to only a few sets of circumstances but can be pursued whenever collaboration in governance and funding is desirable.

Finally, the recommendations attempt to bring rigour to their establishment and management. Before a Secretariat is established, it now must be demonstrated to the Board of Governors that there is the financial and human capacity to make them work. As well, it must be shown that a Secretariat will have a focus to its work which is both realistic and attractive to other donors. Finally, it must be established that the relationship between the Secretariat's goals and IDRC's goals is coherent and mutually supportive.

However, it is inescapable that no matter how sound the programmatic basis for establishing a Secretariat, unless other donors believe in it, it will fail. Plentiful funding and enthusiastic participation by donors is the *sine qua non* for success. The work of cultivating donors and drawing them into supporting Secretariats is a perpetual challenge. Each contact can provide valuable information to IDRC about the strengths and weaknesses of the Secretariat system. This can be supplemented through formal evaluations if necessary, to determine overall donor satisfaction.

Finally, Senior Management believes that it is important that the general situation of Secretariats should be reviewed from time to time with the Board of Governors. The views of IDRC's partners obtained through our many contacts can be presented to the Board, along with our own

macro-analysis of the effectiveness of Secretariats in achieving IDRC's program goals. Senior Management believes that *Learning Partnerships* and this response to it constitute an important stage in the maturing process of the Secretariat concept. Continuing that process through regular evaluation and discussion of the concept at IDRC's highest levels is the best way of ensuring that the momentum we have achieved toward creating Secretariats as a model of development collaboration will be maintained.